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To: comment, cotce
Subject: Stable Taxation

Dear Commission,

For the life of me, I cannot understand why the commission misses the obvious fact that converting to a consumption tax would put the state in fiscal surplus and provide the most stable revenue source.

With the current GSP of the state being about \$1.4-\$1.8T, a 10% embedded consumption tax at the point of sale of only new goods and services would supply the state with ALL needed revenue, i.e. about \$0.14T. Adding a prebate, would make the tax progressive.

This is the obvious solution to the problem and was the way CA generated revenue until the progressive income tax scheme was adopted.

The simple and best way to generate revenue is with a consumption tax. It also provides the needed feedback to make the system stable. Furthermore, CA would grow its GSP in the first year of its adoption by 10%!

Why do you not consider such a scheme?

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